

REBUTTAL TESTIMONY

of

YASSIR RASHID

Energy Engineering Program

Safety & Reliability Division

Illinois Commerce Commission

Rock Island Clean Line LLC

Petition for an Order granting Rock Island Clean Line LLC a Certificate of Public Convenience and Necessity pursuant to Section 8-406 of the Public Utilities Act as a Transmission Public Utility and to Construct, Operate and Maintain an Electric Transmission Line and Authorizing and Directing Rock Island Rock Island pursuant to Section 8-503 of the Public Utilities Act to Construct an Electric Transmission Line.

Docket No. 12-0560

October 15, 2013

1 **Q. Please state your name and business address.**

2 A. My name is Yassir Rashid. My new business address is 160 North LaSalle
3 Street, Suite C-800, Chicago, Illinois 60601.

4 **Q. Are you the same Yassir Rashid who previously testified in this docket?**

5 A. Yes, I am. My prepared direct testimony in this docket is ICC Staff Exhibit
6 1.0.

7 **Q. What is the purpose of your Rebuttal Testimony?**

8 A. The purpose of my Rebuttal Testimony is to respond to Rock Island Clean
9 Line (“RICL”) witnesses Wayne Galli and Hans Detweiler.

10 **Q. Have the conclusions that you outlined in your Direct Testimony**
11 **changed because of new information that RICL provided in its**
12 **witnesses’ rebuttal testimonies?**

13 A. No. RICL witnesses’ rebuttal testimonies did not provide information that
14 caused me to change my conclusions regarding RICL proposed project.

15 **Q. In his rebuttal testimony, Mr. Galli states, “If Mr. Rashid is stating that**
16 **the Project is not needed to provide adequate and efficient service to**
17 **customers, I do not agree with him.” (RICL Ex. 2.11, 6.) Please respond.**

18 A. Section 8-406(b) of the Public Utilities Act (“Act”) requires that “no public utility
19 shall begin the construction of any new plant, equipment, property or facility
20 which is not in substitution of any existing plant, equipment, property or facility
21 or any extension or alteration thereof or in addition thereto, unless and until it
22 shall have obtained from the Commission a certificate that the public
23 convenience and necessity *require* such construction.” Id. (emphasis added.)

24 Whenever after a hearing the Commission determines that any new
25 construction will promote the public convenience “and is necessary thereto,” it
26 shall have the power to issue certificates of public convenience and necessity.
27 Id. The Commission will determine that proposed construction will promote
28 the public convenience and necessity “*only if* the utility demonstrates: (1) that
29 the proposed construction is necessary to provide adequate, reliable, and
30 efficient service to its customers and is the least-cost means of satisfying the
31 service needs of its customers or that the proposed construction will promote
32 the development of an effectively competitive electricity market that operates
33 efficiently, is equitable to all customers, and is the least cost means of
34 satisfying those objectives; (2) that the utility is capable of efficiently managing
35 and supervising the construction process and has taken sufficient action to
36 ensure adequate and efficient construction and supervision thereof; and (3)
37 that the utility is capable of financing the proposed construction without
38 significant adverse financial consequences for the utility or its customers.” Id.
39 (emphasis added.) Although I am not an attorney, in my opinion the Act
40 requires the public utility to demonstrate, among other things, that the
41 proposed project is necessary to provide adequate, *reliable*, and efficient
42 service. In his above statement, Mr. Galli omitted the part that refers to the
43 reliability requirement of Section 8-406(b) of the Act. In my Direct Testimony,
44 I stated “...RICL has not provided evidence that the proposed project *is*
45 *needed to maintain the reliability of the electric systems in Illinois.*” (Staff Ex.
46 1.0, 3 (emphasis added).) My understanding is that the project *is needed* if

“the reliability of the electric systems in Illinois will be adversely affected if the proposed project is not built.” Id. RICL has not provided an independent study or studies from transmission system operators in Illinois, namely PJM Interconnection (“PJM”) and Midcontinent Independent System Operator (“MISO”) that demonstrate the need for the project. Although Mr. Galli voiced his disagreement with my position, he failed to provide a single study, such as load flow study, to demonstrate that the reliability of the Illinois electric transmission system will be compromised if the RICL project is not implemented. Mr. Galli also referred to the direct testimony of RICL witness Len Januzik, which concluded that the proposed project would provide increased reserve margin and transfer capability. (RICL Ex. 2.11, 6.) However, it is important to distinguish between whether the project will merely provide benefits such as increased reserve margins and transfer capability, and whether the project is actually *needed* to maintain the reliability of Illinois transmission system, and therefore to “keep the lights on.”

Q. In your Direct Testimony, you argued that despite RICL witnesses Wayne Galli’s and David Barry’s assurances that the proposed project would provide open access transmission services to “eligible customers,” the nature of the HVDC line would make interconnection to it impractical and economically infeasible. (Staff Ex. 1.0, 7 – 8) Has RICL addressed your concerns regarding interconnectivity to the proposed project in its rebuttal testimony?

A. No. In my Direct Testimony, I argued that interconnection to the proposed

project is theoretically attainable; however, because it would require installation of AC-to-DC and/or DC-to-AC converters at each location where interconnection with the HVDC transmission line portion of the proposed project is sought, that would increase the interconnection cost significantly. As a result, interconnection with the proposed project will be impractical and economically infeasible, and that in turn will likely hinder Illinois electricity producers' and electricity users' ability to access the HVDC transmission line. Id. In rebuttal testimony, RICL did not address the interconnection to its HVDC transmission line issue. I request that RICL address the interconnection issue in its surrebuttal testimony.

Q. In his Rebuttal Testimony, RICL witness Hans Detweiler states that his “[...] understanding that the Commission has typically addressed the least cost aspect of Section 8-406(b) by examining which of the potential routes of a proposed transmission line project is the least cost, considering all relevant factors.” (RICL Ex. 7.30, 38.) Please respond.

A It appears that Mr. Detweiler's understanding of how the Commission determines least-cost is not entirely accurate. Moreover, the way that Mr. Detweiler phrases the above statement by focusing on the potential routes cost as the prime criterion which the Commission uses to determine whether a project is least-cost is rather misguided and misleading. The route of any transmission project represents only one component of the overall cost of a transmission line project. The route that costs less to build is not in itself a determinant of whether the transmission project meets the least-cost criteria

93 set by Section 8-406(b) of the Act. The Commission may select a longer
94 route, which costs more, if the selection of that route would drive the overall
95 cost of the project down. For example, the Commission may select a longer
96 route to utilize an existing transmission substation in order to avoid building a
97 new transmission substation, if the selection of that route would drive the
98 overall cost of the transmission project down.

99 In his Rebuttal Testimony, Mr. Galli presented a “hypothetical exercise” that
100 compares a transmission line project similar to the RICL proposed project to
101 different projects that utilize AC transmission lines. (RICL Ex. 2.11, 3-4.) Mr.
102 Galli’s conclusion of that exercise was that it showed “the clear cost benefit of
103 an HVDC project to an AC project.” *Id.*, at 7. However, that hypothetical
104 exercise did not factor in the increased cost of interconnecting to HVDC
105 transmission lines as opposed to AC transmission lines and the implications
106 of that increased cost given that the proposed project is supposed to offer
107 open access transmission services. That hypothetical exercise would have
108 been viable if the proposed project was dedicated solely to deliver wind
109 energy from O’Brien County, Iowa to Grundy County, Illinois, with no
110 requirement to having to commit to open access transmission services.

111 **Q. In his Rebuttal Testimony, Mr. Galli indicated that RICL’s decision to**
112 **commit to using single-pole structures would not change the**
113 **parameters described in his direct testimony concerning the structure**
114 **heights, spans, right-of-way requirements, and expected number of**
115 **structures per mile for the Project. (RICL Ex. 2.11, 7.) Please comment.**

116 A. In my Direct Testimony, I requested that RICL “provide updated information in
117 its rebuttal testimony about pole placement given the shorter span lengths
118 required by monopole structures.” (Staff Ex. 1.0, 12.) Based on Mr. Galli’s
119 rebuttal testimony, it appears that RICL has developed a monopole design
120 that does not require shorter span lengths. Mr. Galli’s statement adequately
121 addressed my request.

122 **Q. In your Direct testimony, you expressed your skepticism regarding**
123 **RICL’s ability to efficiently manage and supervise the proposed project**
124 **and you recommended that RICL provide in its rebuttal testimony**
125 **information on its capability to efficiently manage and supervise the**
126 **construction of the proposed project. (Staff Ex. 1.0, 15) Has RICL**
127 **provided the information that you recommend that it provide?**

128 A. No. RICL has not provided information regarding its capability to efficiently
129 manage and supervise the proposed project. I request that, in its surrebuttal
130 testimony, RICL provide information about its capability to efficiently manage
131 and supervise transmission line projects.

132 **Q. Are there other issues that you would like RICL to address in its**
133 **surrebuttal testimony?**

134 A. Yes. In my Direct Testimony, I indicated that RICL witness Michael Skelly
135 provided the overall cost of the project. Id. 9. I indicated that RICL witness
136 Morris Stover disclosed the cost for constructing the transmission lines (both
137 DC and AC) within Illinois’ borders. Id. I also mentioned that RICL did not
138 provide the cost of the eastern converter station or the AC interconnection

139 facility. In its surrebuttal testimony, I request that RICL disclose the cost of
140 the eastern converter station, the cost of the AC interconnection facility that
141 will interconnect the proposed line to Collins Substation, and all other costs
142 related to the Illinois portion of the proposed project, independent of the
143 overall cost of the project.

144 **Q. Does that conclude your prepared Rebuttal Testimony?**

145 A. Yes, it does.